

For immediate release

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Name of the Company: MegaChips Corporation  
Representative: Yukihiro Ukai  
President and CEO (Representative Director)  
(Code No. 6875, the First Section of the Tokyo Stock Exchange)  
Person to contact: Masayuki Fujii  
Director, Officer and General Manager of Finance & Accounting Office  
(TEL 06-6399-2884)

### **Notice on Revisions to the Forecast Business Results for the Fiscal Year Ending March 31, 2009**

Due to recent changes in the operating results, MegaChips Corporation (the "Company") hereby announces the following revisions to the forecasts for the consolidated and non-consolidated business results for the year ending March 31, 2009, that the Company made when it released its accounts summary on July 30, 2008 and on May 9, 2008.

#### 1. Revisions to the forecast consolidated business results

(1) Revisions to the forecast consolidated interim results for the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008)

(Million yen, %)

	Net sales	Operating income	Ordinary profit	Quarter net income	Quarter net income per share
Previous forecast (A) (announced on July 30, 2008)	24,000	1,700	1,650	940	38.82
Revised forecast (B)	27,123	2,801	2,770	1,303	49.55
Increase/decrease (B -A)	3,123	1,101	1,120	363	10.73
Rate of increase or decrease (%)	13.0	64.8	67.9	38.6	27.6
(Reference) Previous interim results (ended September 30, 2007)	25,456	1,600	1,534	*Note 1,627	65.67

Note: The net income for the interim period ended September 30, 2007 increased by approx. 612 million yen due to the tax benefits resulting from the merger.

(2) Revisions to the forecast consolidated results for the fiscal year ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Million yen, %)

	Net sales	Operating income	Ordinary profit	Net income	Net income per share
Previous forecast (A) (announced on July 30, 2008)	52,000	3,800	3,700	2,100	86.72
Revised forecast (B)	55,000	4,600	4,700	2,350	97.03
Increase or decrease (B-A)	3,000	800	1,000	250	10.31
Rate of increase or decrease (%)	5.8	21.1	27.0	11.9	11.9
(Reference) Previous year results (ended March 31, 2008)	50,671	3,444	3,304	※ Note 2,612	105.60

Note: Net income for the fiscal year ended March 31, 2008 increased by approx. 770 million yen due to tax benefits resulting from the merger.

2. Revisions to the forecast non-consolidated results

(1) Revisions to the forecast non-consolidated interim results for the fiscal year ending March 31, 2009 (From April 1, 2008 to September 30, 2008)

(Million yen, %)

	Net sales	Operating income	Ordinary profit	Quarter net income	Quarter net income per share
Previous forecast (A) (announced on May 9, 2008)	24,000	1,700	1,650	940	38.44
Adjusted forecast (B)	27,107	2,859	2,828	1,302	49.55
Amount of increase or decrease (B-A)	3,107	1,159	1,178	362	11.11
Rate of increase or decrease (%)	12.9	68.2	71.4	38.5	28.9
(Reference) Previous interim results (ended September 30, 2007)	25,502	1,651	1,582	2,804	113.18

(2) Revisions to the forecast non-consolidated results for the fiscal year ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Million yen, %)

	Net sales	Operating income	Ordinary profit	Net income	Net income per share
Previous forecast (A) (announced on May 9, 2008)	52,000	3,800	3,700	2,100	85.88
Revised forecast (B)	55,000	4,600	4,500	2,250	92.90
Increase or decrease (B-A)	3,000	800	800	150	7.02
Rate of increase or decrease (%)	5.8	21.1	21.6	7.1	8.2
(Reference) Previous year results (ended March 31, 2008)	50,658	3,567	3,367	3,719	150.35

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### 3. Reasons for the Revisions to the Forecast Business Results

Demand remained strong for our video game software storage LSIs (custom memories), the main products of our customer-specific LSI (application-specific integrated circuits (ASIC)) business. Also, high-value-added products in our application-specific LSI (application specific standard product (ASSP)) business and Systems Business contributed to an increase in sales. As a result, MegaChips forecasts that its consolidated and non-consolidated net sales, operating income and ordinary profit for the interim period will considerably exceed the previous forecasts and, for the fiscal year ending March 31, 2009, will achieve a record-setting performance.

In our Systems Business, we discontinued the unprofitable MegaChips brand products, which targeted large unspecified customers, so that we can focus on customer-specific systems. These products will account for approximately 580 million yen in losses due to the liquidation of the business, indicated as a special loss, in the second quarter of this fiscal year. We are committed to focusing our corporate resources on our strong customer-specific business as well as our electronic component business, including system LSIs, which are our source of competitiveness, and their applications to boards and modules.

- Note on our business forecasts

Our business forecasts given in this announcement are based on the information available and a number of reasonable assumptions, as of October 21, 2008. The actual performance may differ significantly from the forecasts due to various factors that may prevail in the coming months.